

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554**

In the matter of:  
Petition of Verizon for Forbearance  
Under 47 U.S.C. § 160(c) from  
Enforcement of Certain of the  
Commission's Recordkeeping and  
Reporting Requirements.

WC Docket No. 07-273

**COMMENTS OF THE CALIFORNIA PUBLIC UTILITIES  
COMMISSION AND THE PEOPLE OF THE STATE OF CALIFORNIA**

**RANDOLPH WU  
HELEN M. MICKIEWICZ**

Attorneys for the People  
Of The State Of California And The  
California Public Utilities Commission

February 1, 2008

California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102  
Phone: (415) 703-1999  
Fax: (415) 703-4432  
Email: [hmm@cpuc.ca.gov](mailto:hmm@cpuc.ca.gov)

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554**

In the matter of:  
Petition of Verizon for Forbearance  
Under 47 U.S.C. § 160(c) from  
Enforcement of Certain of the  
Commission's Recordkeeping and  
Reporting Requirements.

WC Docket No. 07-273

**COMMENTS OF THE CALIFORNIA PUBLIC UTILITIES  
COMMISSION AND THE PEOPLE OF THE STATE OF  
CALIFORNIA**

**I. INTRODUCTION AND SUMMARY**

The California Public Utilities Commission and the People of the State of California (CPUC or California) submit these comments in response to the Public Notice issued by the Federal Communications Commission (FCC or Commission) on December 18, 2007, in the above-captioned docket. In the Public Notice, the Commission seeks comment on Verizon's petition requesting forbearance under 47 U.S.C § 160 (c) from certain of the Commission's recordkeeping and reporting

requirements.<sup>1</sup> The requirements that are the subject of the petition include: (i) the Automated Reporting Management Information System (ARMIS) reporting rules; (ii) the Commission's affiliate transaction and related rules ("affiliate transaction rules"); (iii) Part 65, Subpart E and Part 69, Subparts D and E ("rate-of-return reporting rules"); and (iv) the Commission's property record and related rules ("property record rules"). The petition also seeks limited forbearance from 47 U.S.C. 5254(k) to the extent this provision contemplates the accounting methodology for assets and services transferred or provided between an incumbent local exchange carrier ("LEC") and any of its regulated affiliates embodied in the Commission's affiliate transaction rules.

Verizon Communications, Inc. (Verizon) has two incumbent local exchange carriers (ILECs) providing service in California: Verizon California, Inc. and Verizon West Coast, Inc.

The Commission should deny the relief requested in the petition as elimination of the ARMIS reports would not be in the public interest. Without access to this information, California, and likely other states, would have difficulty meeting their oversight obligations.

Furthermore, any revision of the Commission's reporting and record

---

<sup>1</sup> Petition of Verizon for Forbearance from Enforcement Under 47 U.S.C. § 160(c) From Enforcement of Certain of the Commission's Recordkeeping and Reporting Requirements, WC Docket No. 07-273 (filed November 26, 2007). (Petition).

keeping requirements should be made through a formal rulemaking proceeding applicable to all carriers subject to the requirements and not on a piecemeal basis such as through this potential action on this petition.

## II. DISCUSSION

Similar to a number of other state commissions, the CPUC has relied on, still relies on, and will continue to rely on FCC reports to make important regulatory policy decisions and establish rules for California. The CPUC especially relies on the following ARMUS reports: 43-05 (Service Quality Report), 43-06 (Customer Satisfaction Report), 43-07 (Infrastructure Report) and 43-08 (Operating Data Report).

### A. California's Use of the ARMIS Reports

In the last few years, the CPUC has taken significant steps to streamline its regulatory process. In particular, the CPUC has eliminated California-specific monitoring reports required under its New Regulatory Framework (NRF) on the basis that it would rely largely on the ARMIS and other federal reports instead.<sup>2</sup> The CPUC

---

<sup>2</sup> See *Order Instituting Rulemaking on the Commission's Own Motion to Assess and Revise the Regulation of Telecommunications Utilities (R.05-04-005)*, Decision (D.) 06-08-030, COL 57; See also *R.02-12-004, March 30, 2007 Assigned Commissioner's Ruling and Scoping Memo*.

made its decision largely at the urging of the carriers that they should not be required to file two separate sets of reports – one with the Commission and one with the CPUC. Just a year ago, the CPUC curtailed regulation of the retail telecommunications service offerings of the four major California ILECs, including Verizon. The CPUC expressed its intent to rely on the ARMIS and other federal reports as part of its monitoring program to ensure that the competitive market is functioning well and customers will receive good quality at just and reasonably-priced services.

The preservation at this time of many of the ARMIS reports is particularly important to California. ARMIS Report 43-05 provides installation and repair interval data and ARMIS Report 43-06 shows the percentage of customers dissatisfied with installation and repair based on the carrier's customer survey. These reports provide a library of information that aids regulators in assessing the service quality performance among companies within a particular state as well as making interstate comparisons. The service quality ARMIS reports also offer a valuable historical record of how a telephone company has performed over time. This is crucial information for California, and other states as well, in order to assess whether telephone service quality has deteriorated since the Telecommunications Act of 1996.

Consumers also benefit from these reports by using the service quality information to make informed choices among competing companies.

Specifically, the CPUC has relied on these reports in a number of its proceedings to assess ILEC level of service quality in California. For example, the CPUC used ARMIS data in its 2001 complaint proceeding against AT&T (formerly SBC) and concluded that AT&T violated California Public Utilities Code § 451.<sup>3</sup> The CPUC relied on ARMIS service quality data in the repair complaint case because the CPUC, up to that time, had not considered repair intervals in its state standards. Additionally, a comparison of SBC California to other major LECs based on the ARMIS service quality performance was also important to the CPUC's findings and orders in its NRF proceeding. In that proceeding, the CPUC relied, in part, on ARMIS service quality measures to evaluate AT&T and Verizon, Inc's service quality

---

<sup>3</sup> See D.02-12-021, FOF 12. Public Utilities Code § 451 reads as follows:

All charges demanded or received by any public utility, or by any two or more public utilities, for any product or commodity furnished or to be furnished or any service rendered or to be rendered shall be just and reasonable. Every unjust or unreasonable charge demanded or received for such product or commodity or service is unlawful. Every public utility shall furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities, including telephone facilities, as defined in Section 54.1 of the Civil Code, as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public. All rules made by public utility affecting or pertaining to its charges or service to the public shall be just and reasonable.

performance.<sup>4</sup> The service quality ARMIS reports provided the necessary data for the CPUC to make the appropriate findings in this proceeding as well.

The CPUC also relies on ARMIS reports 43-07 and 43-08. ARMIS Report 43-07 details carrier trends in telephone industry infrastructure development. It includes data on switching according to type, counts of access lines served by the various switch types and capabilities, and lines served by the different switches as well as the length of loops. It also includes data on transmission facilities, including interoffice facilities and loop plant. The CPUC uses the infrastructure report data to monitor carrier facilities and to study how they may be deployed over time.

ARMIS Report 43-08 includes telephone call statistics which the CPUC uses to monitor and study calling pattern trends.

The Commission itself uses the Infrastructure and the Operating Data Reports to generate its own statistical reports, such as *Trends in Telecommunications Services* report.<sup>5</sup> The data contained in Tables

---

<sup>4</sup> See *Commission's Own Motion to Assess and Revise the New Regulatory Framework for Pacific Bell and Verizon California Incorporated (R.01-09-001/I.01-09-002)*, Interim Opinion Regarding Phase 2B Issues Service Quality of Pacific Bell and Verizon California, Inc., D. 03-10-088, COL 10.

<sup>5</sup> *Trends in Telephone Services*, published in Feb. 2007, chapter 17 notes: Price-cap regulated carriers, including the Bell operating companies (BOCs), file data on technology as part of their Automated Reporting Management Information System



17.1 and 17.3 of this report are derived from the Bell Operating Companies' ARMIS report 43-07, and the data contained in Table 17.2 are derived from ARMIS report 43-05.<sup>6</sup> Similar to the Commission, the CPUC s also uses ARMIS data to prepare reports for the California Legislature.

Moreover, the ARMIS reports provide the states a crucial source from which to gather many service quality measurements on a national basis.

**B. The Issue of Whether to Eliminate the ARMIS Reports and other Reporting and Recordkeeping Requirements Should Not be Addressed on a Piecemeal Basis.**

If the Commission is considering revising or eliminating any reporting requirements, the Commission should do so through a broader rulemaking proceeding and not on a piecemeal basis such as through this petition. A rulemaking proceeding would allow the Commission to comprehensively address the implications of any change to the reporting requirements.

---

(ARMIS) reports. The individual carrier's data can be obtained from the ARMIS web page at [www.fcc.gov/wcb/eafs](http://www.fcc.gov/wcb/eafs). Selected holding company statistics from the ARMIS 43-07 can be found in Section 10 of our *Monitoring Report* on the web page [www.fcc.gov/wcb/iatd/monitor](http://www.fcc.gov/wcb/iatd/monitor). Also, information about broadband deployment is contained in Chapter 2, *Advanced Telecommunications*.

<sup>6</sup> *Id.*

### III. CONCLUSION

The Commission should deny Verizon's petition because forbearance from enforcement of these recordkeeping and reporting requirements is not warranted at this time. Any Commission review of the necessity of the ARMIS and other reporting requirements, such as the affiliate transaction requirements, should be conducted through a formal rulemaking, applicable to all carriers subject to the requirements.

Respectfully submitted,

RANDOLPH WU  
HELEN M. MICKIEWICZ

By: /s/ HELEN M. MICKIEWICZ

505 Van Ness Avenue  
San Francisco, CA 94102  
Phone: (415) 703-1999  
Fax: (415) 703-4432  
Email: [sjy@cpuc.ca.gov](mailto:sjy@cpuc.ca.gov)

February 1, 2008

Attorneys for the People  
Of The State Of California And The  
California Public Utilities  
Commission

**CERTIFICATE OF SERVICE**

I, Helen M. Mickiewicz, hereby certify that on this 1st day of February, 2008 a true and correct copy of the forgoing **“COMMENTS OF THE CALIFORNIA PUBLIC UTILITIES COMMISSION AN THE PEOPLE OF THE STATE OF CALIFORNIA”** was mailed first class, postage prepaid to all known parties of record.

/s/     HELEN M. MICKIEWICZ

---

HELEN M. MICKIEWICZ